

November 29, 2024

Sent via email to: premier@ontario.ca; minister.mah@ontario.ca;
MinisterEnergy@ontario.ca

Premier of Ontario

Legislative Building
Queen's Park
Toronto, ON M7A 1A1

The Honourable Paul Calandra

Minister of Municipal Affairs and Housing
17th Floor, 777 Bay Street
Toronto, ON M7A 2J3

The Honourable Stephen Lecce

Minister of Energy and Electrification
10th Floor, 77 Grenville Street
Toronto, ON M7A 2C1

RE: Guelph City Council Resolution to Enable Municipalities to Charge Fees for use of Municipal Property by Gas Utilities

Dear Premier Ford, Minister Calandra and Minister Lecce,

Guelph City Council at its meeting held on November 26, 2024 passed a resolution regarding the ability of municipalities to charge gas utilities for their use of municipal property, which included the following motions:

1. That Council request the Province of Ontario to amend section 9 of Regulation 584/06 under the Municipal Act, 2001, to permit municipalities to charge fair fees to for-profit gas utilities for their use of public property, as municipalities do in most other provinces.
2. That Council direct staff, to the satisfaction of the DCAO of IDE, to negotiate a Franchise Agreement with the gas distribution company that:
 - a. will allow the City of Guelph to charge fees for use of public property if and when Ontario Regulation 584/06 is amended to allow such charges,
 - b. will ensure that the City of Guelph is not liable to pay for any gas infrastructure relocations needed due to conflicts with municipal infrastructure, and
 - c. will ensure future charges for use of municipal property is not passed on to Guelph customers of the gas distribution company.
3. That the City of Guelph supports, in principle, the Bill 219, "No Free Ride for Fossil Fuels Act, 2024" tabled November 4, 2024 by Guelph MPP Mike Schreiner.

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Across most of Canada, municipalities charge for-profit gas utilities fees for the use of municipal property. This revenue supports municipalities in managing abandoned gas distribution infrastructure and any conflicts with municipal infrastructure without increasing the financial burden on property taxpayers. However, in Ontario, Section 9 of *O.Reg. 584/06* under the *Municipal Act, 2001* prohibits municipalities from charging for-profit gas utilities these fees. If the charging of these fees is permitted, revenues would provide much needed funding towards essential City services and programs, and support the City in funding any future work associated with gas distribution infrastructure.

As Guelph seeks to renew its Franchise Agreement, which sets out the conditions for the use of municipal property by the gas distribution company, there is an opportunity to review the compensation framework for municipalities across Ontario. Many sectors and individuals are increasingly transitioning away from natural gas in favour of cleaner and carbon-free technologies, and Guelph Council believes municipalities should not be locked in to long-term agreements which limit the ability of municipalities to receive fair compensation from for-profit gas distribution companies.

As such, Guelph City Council requests the Province of Ontario amend section 9 of *O.Reg. 584/06* under the *Municipal Act, 2001*, to permit municipalities to charge fees to for-profit gas utilities for their use of public property. Additionally, Guelph City Council would like to express its support, in principle, for Bill 219 – the *No Free Ride for Fossil Fuels Act, 2024*, which would enshrine the right of municipalities to charge fees under the *Municipal Act, 2001*, and the *City of Toronto Act, 2006*.

Sincerely,

Intergovernmental Services on behalf of Guelph City Council

Chief Administrative Office

Intergovernmental.relations@guelph.ca

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CC: Mike Schreiner, Member of Provincial Parliament for Guelph;
Ontario's Big City Mayors
Association of Municipalities of Ontario
All Ontario Municipalities